



Notice of 2018 Annual General Meeting

Smiles Inclusive Limited ACN 621 105 824

Date	Wednesday, 21 November 2018
Time	2.00pm (Brisbane time)
Venue	KPMG, Level 16, Riparian Plaza, 71 Eagle Street, Brisbane City 4000

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Smiles Inclusive Limited (**Company**) will be held at KPMG, Level 16, Riparian Plaza, 71 Eagle Street, Brisbane City 4000 at 2.00pm (Brisbane time) on Wednesday, 21 November 2018 (**AGM or Meeting**).

This notice of AGM (**Notice**) is an important document and should be read in its entirety. The explanatory memorandum attached to this Notice (**Explanatory Memorandum**) provides additional information on matters to be considered at the Meeting. The accompanying important notices, Explanatory Memorandum, glossary and the proxy form are part of this Notice.

ITEMS OF BUSINESS

Ordinary Business

ITEM 1: Financial statements and reports

To receive and consider the Company's financial report, the Directors' report and the auditor's report for the financial year ended 30 June 2018.

ITEM 2: Remuneration report

Resolution 1 – Adoption of remuneration report

To consider the remuneration report as it appears in the annual report for the Company (**Remuneration Report**) for the financial year ended 30 June 2018 and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2018 be adopted."

Note:

- (a) The Remuneration Report is contained in the 2018 Annual Report (available at <http://smilesinc.com.au/investor-centre/>).
- (b) In accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the vote on this ordinary resolution is advisory only and does not bind the Directors or the Company.
- (c) Voting restrictions apply to this resolution. See page 6 for further details.

ITEM 3: Election of Directors

Resolution 2 – Election of Tracy Penn as Director

To consider, and, if thought fit, pass the following resolution as an ordinary resolution:

"That, Tracy Penn, who retires having previously been appointed to fill a casual vacancy in accordance with rule 19.2(b) of the Company's constitution, and having consented to act and being eligible, be elected as a Director of the Company."

Note: Information about the candidate appears in the Explanatory Memorandum.

Resolution 3 – Election of Peter Evans as Director

To consider, and, if thought fit, pass the following resolution as an ordinary resolution:

"That, Peter Evans, who retires having previously been appointed to fill a casual vacancy in accordance with rule 19.2(b) of the Company's constitution, and having consented to act and being eligible, be elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

Resolution 4 – Election of Joshua Lowcock as Director

To consider, and, if thought fit, pass the following resolution as an ordinary resolution:

"That, Joshua Lowcock, who retires having previously been appointed to fill a casual vacancy in accordance with rule 19.2(b) of the Company's constitution, and having consented to act and being eligible, be elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

Special Business

ITEM 4: Appointment of auditor

Resolution 5 – Appointment of Company auditor

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purpose of section 327B(1) of the Corporations Act and for all other purposes, KPMG, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as the auditor for the Company."

Note: KPMG is the existing auditor but is formally nominated for re-appointment under section 328B of the Corporations Act as this is the Company's first annual general meeting. A copy of the nomination is annexed to the Explanatory Memorandum.

ITEM 5: Employee Share Plan

Resolution 6 – Approval of Employee Share Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of sections 257B(1), 259B(2) and 260C(4) of the Corporations Act, Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt the Employee Share Plan (**Plan**) and for the issue or transfer of fully paid ordinary shares in the Company under the Plan as an exception to Listing Rule 7.1, as described in the Explanatory Memorandum."

Note: Voting restrictions apply to this resolution. See page 6 for further details.

Resolution 7 – Approval of issue to Tracy Penn under the Plan


To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, conditional upon Resolution 6 being approved, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to, and acquisition by, Mrs Tracy Penn (or her nominee) of Shares in accordance with the rules of the Plan and on the basis described in the Explanatory Memorandum.”

Note:

- (a) Voting restrictions apply to this resolution. See page 6 for further details.
- (b) If approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11.

By order of the Board

A handwritten signature in black ink, appearing to read 'David Herlihy', with a stylized flourish at the end.

David Herlihy, Chairman
19 October 2018

IMPORTANT NOTICES

VOTING ENTITLEMENT

- 1 The Board has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting or an adjourned meeting, shares are taken to be held by those persons recorded in the Company's register of Shareholders as at 7:00pm (Sydney time) on Monday, 19 November 2018.
- 2 If more than one joint holder of shares is present at the Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

PROXIES

- 3 A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. A proxy form is enclosed with this Notice.
- 4 A proxy need not be a Shareholder and can be either an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting.
- 5 A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes (disregarding fractions).
- 6 Unless the proxy is required by law to vote, the proxy may decide whether or not to vote on any particular item of business. If the appointment of proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. All directed proxies that are not voted on a poll at the Meeting will automatically default to the Chairman, who is required to vote the proxies as directed. Any undirected proxies on a given resolution may be voted by the appointed proxy as they choose, subject to the voting restrictions described on the following page.
- 7 The Chairman intends to vote all available proxies in favour of each item of business.

Lodgement of proxy forms

- 8 If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form.
- 9 To be effective, completed proxy forms (together with any additional documentation such as a power of attorney or appointment of a body corporate representative) must be received by the Company through its share registry by 2.00pm (Brisbane time) on Monday, 19 November 2018, by one of the following methods:
 - a **online:** Shareholders may lodge proxies online by visiting www.linkmarketservices.com.au, selecting 'Voting' and following the prompts. To use this facility you will need your "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the proxy form);
 - b **by mail:** Smiles Inclusive Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia;
 - c **by fax:** to +61 2 9287 0309; or
 - d **in person:** Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138, or Level 12, 680 George Street, Sydney NSW 2000 (during business hours).

CORPORATE REPRESENTATIVES

- 10 A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been given previously to the Company.

ATTORNEYS

- 11 A Shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the commencement of the Meeting.

VOTING RESTRICTIONS

- 12 In accordance with the Corporations Act, the Company will disregard any votes cast on:
- a Resolution 1 by or on behalf of a member of the Company's Key Management Personnel named in the Company's Remuneration Report for the financial year ended 30 June 2018 or their closely related parties, regardless of the capacity in which the vote is cast; or
 - b Resolutions 1, 6 or 7 as a proxy by a person who is a member of the Company's Key Management Personnel at the date of the Meeting or their closely related parties.

Note: Key Management Personnel and 'closely related parties' are defined in the Glossary.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Resolution 1, 6 or 7:

- a in accordance with a direction in the proxy form; or
 - b by the Chairman of the Meeting, in accordance with an express authorisation to exercise the proxy even though the Resolution is connected with the remuneration of Key Management Personnel.
- 13 In addition, in accordance with the Listing Rules, the Company will disregard votes cast in favour of:
- a Resolution 6 by a Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of any such persons; or
 - b Resolution 7 by a Director who is eligible to participate in the Plan and any associate of any such persons.

However, the Company need not disregard a vote on Resolutions 6 and/or 7 if:

- a it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form; or
 - b it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.
- 14 If you appoint the Chairman as your proxy (or the Chairman becomes your proxy by default), and you do not direct your proxy how to vote on Resolution 1, 6 or 7 on the proxy form, you will be expressly authorising the Chairman to exercise your proxy on these items even though the resolution is connected, directly or indirectly, with remuneration of the Key Management Personnel.
- 15 The Chairman intends to vote all available proxies in favour of Resolutions 1, 6 and 7.

SHAREHOLDER ENQUIRIES

- 16 If you have any questions on how to cast your votes, please call the Company's share registry, Link Market Services, on +61 1300 554 474 during business hours.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Meeting. Information relevant to the business to be conducted at the Meeting is provided in this Explanatory Memorandum and the document should be read in full.

ITEMS OF BUSINESS

Ordinary Business

ITEM 1: Financial statements and reports

In accordance with the Corporations Act, the financial report, the Directors' report and auditor's report for the Company for the financial year ended 30 June 2018 will be put before the Meeting.

Shareholders will have a reasonable opportunity at the Meeting to ask questions or make comments on these reports.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chairman about the management of the Company or to the Company's auditor, KPMG, if the question is relevant to:

- (a) the content of the auditor's report; or
- (b) the conduct of its audit of the annual financial report to be considered at the AGM.

Note: Under section 250PA(1) Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Meeting is held.

Written questions for the auditor must be delivered on or before 5.00pm on 14 November 2018. Please send any written questions for KPMG to:

The Company Secretary
Smiles Inclusive Limited
GPO Box 799
Brisbane QLD 4001,
or via email to: paul@smilesinc.com.au.

There is no requirement for a formal resolution on this item.

ITEM 2: Remuneration report

Resolution 1 – Adoption of remuneration report

The Corporations Act requires that at a listed Company's annual general meeting, a resolution that the Remuneration Report be adopted be put to the shareholders. However, this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is contained within the Annual Report, which is available on the Company website: <http://smilesinc.com.au/investor-centre/>.

The Remuneration Report:

- (a) sets out the Company's remuneration arrangements for Directors and other Key Management Personnel of the Company; and
- (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within the Company.

Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on the Remuneration Report.

As the Resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding this Resolution.

ITEM 3: Election of Directors

Listing Rule 14.4 and rule 19.2(b) of the Company's constitution provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Since its incorporation on 15 August 2018, the Company has appointed three Directors to the Board, who (being eligible) are each standing for election at the AGM, being the first annual general meeting of the Company.

Resolution 2 – Election of Tracy Penn as Director

Mrs Tracy Penn was appointed as an executive Director of the Company on 9 October 2018, preceding its listing on the ASX. Mrs Penn is Deputy CEO of the Company and Chair of the Clinical Advisory Committee. She is also a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Mrs Penn has over 30 years of practice management experience in the dental industry and related fields.

She has worked as a practice development specialist for Dental Partners, developed and operated the Oasis Academy and The Discovery Program (supporting dental professionals in understanding their businesses through a more focused approach) and is a co-founder and managing director of Best Practice Management Group.

Mrs Penn has a Diploma in Practice Management with the Financial Management Research Centre and a Behavioural Dental Science Diploma with ProSynergy.

The Directors (with Mrs Penn abstaining) recommend the election of Mrs Penn to the Board.

Resolution 3 – Election of Peter Evans as Director

Mr Peter Evans was appointed as an independent non-executive Director of the Company on 1 August 2018, following its listing on the ASX. He is also a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Mr Evans has over 30 years' experience as a stockbroker and extensive board experience with a range of private and ASX-listed companies. Mr Evans is currently a Director of Intrepid Mines Limited (ASX: IAU), Chair of QEnergy Limited and Sleepy's Pty Ltd and also serves on a number of other boards. During the previous three years, Mr Evans has also served as a Director of Talon Petroleum Limited (ASX: TPD).

Mr Evans holds a Bachelor of Commerce and a Diploma of Advanced Accounting from the University of Queensland.

The Directors (with Mr Evans abstaining) recommend the election of Mr Evans to the Board.

Resolution 4 – Election of Joshua Lowcock as Director

Mr Joshua Lowcock was appointed as an independent non-executive Director of the Company on 17 September 2018, following its listing on the ASX.

Mr Lowcock is an Australian citizen based in New York and serves as Universal McCann's (UM) Chief Digital Officer and Global Brand Safety Officer, with responsibility for helping UM's clients and their brands innovate, while protecting their digital presence. Mr Lowcock has over 20 years' experience in marketing and digital roles across Australia, China and the US including in the healthcare industry.

Mr Lowcock holds a Bachelor of Arts from the Western Sydney University, a Master of Business Administration, AGSM and is a Member of the Australian Institute of Company Directors.

The Directors (with Mr Lowcock abstaining) recommend the election of Mr Lowcock to the Board.

Special Business

ITEM 4: Appointment of auditor

Resolution 5 – Appointment of Company auditor

Resolution 5 seeks Shareholder approval for the re-appointment of KPMG as the auditor for the Company.

Under section 327A(2) of the Corporations Act, KPMG holds office until the Company's first annual general meeting. Thereafter, section 327B(1)(a) of the Corporations Act requires the Company to appoint an auditor at its first annual general meeting. KPMG has given, and has not withdrawn, its consent to act as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, notice in writing nominating KPMG as auditor has been given to the Company by a Shareholder. A copy of this notice is contained in Attachment A to this Notice.

In accordance with section 328B(3) of the Corporations Act, each person to whom notice of the nomination must be made, has been so notified.

The Directors recommend that Shareholders vote in favour of Resolution 5.

ITEM 5: Employee Share Plan

Resolution 6 – Approval of Employee Share Plan

Pursuant to Resolution 6, the Company is seeking approval of the proposed Employee Share Plan for the purposes of the Listing Rules and the Corporations Act.

The Plan is designed to:

- (a) assist with the attraction and retention of appropriately qualified and experienced Directors, senior managers and employees, as assessed by the Company on a case-by-case basis;
- (b) motivate and drive performance at both the individual and group level; and
- (c) strengthen the alignment between participants and Shareholder interests.

The Plan, amongst other things, allows the Company to lend funds to eligible persons to acquire Shares. Non-executive directors are not presently eligible to participate in the Plan.

A summary of the terms of the Plan is set out in Attachment 2, which is provided to Shareholders for the purposes of Listing Rule 7.2, exception 9. This is the first time Shareholders have been asked to approve the Plan, and at the date of this Notice no securities have been issued under the Plan.

Reasons for shareholder approval

Listing Rules

Listing Rule 7.1 prohibits the Company issuing equity securities which, in aggregate, exceed 15% of the fully paid ordinary share capital of the Company in any 12 month period (subject to certain adjustments and permitted exceptions).

Listing Rule 7.2 (Exception 9) provides that Listing Rule 7.1 does not apply to the issue of shares by the Company under an employee incentive scheme if the scheme has been approved by Shareholders within the three years preceding the date of issue of the relevant shares.

The Plan is an employee incentive scheme for the purposes of Listing Rule 7.2 and Shareholders are being asked to approve the Plan, and issues of Shares under it to certain eligible persons, for the purposes of Listing Rule 7.2 (Exception 9). If Shareholders approve this Resolution 6, Shares issued under the Plan will not count towards the Company's 15% placement capacity under Listing Rule 7.1.

Corporations Act

Section 260A of the Corporations Act states that a company may financially assist a person to acquire shares in the company if the assistance is exempt under section 260C. Section 260C(4) of the Corporations Act provides that financial assistance is exempt from section 260A if it is given under an employee share scheme which has been approved by a resolution passed at a general meeting of the company.

If a loan is made to an eligible person to acquire shares under the Plan, the loan will constitute financial assistance for the purposes of that provision.

Section 259B(1) of the Corporations Act also generally prohibits a company from taking security over its own shares. This is however permitted by section 259B(2) under an employee share scheme which has been approved by a resolution passed at a general meeting of the company.

In circumstances where a loan is provided under the Plan, the Company will have a lien over all the Shares held by the employee to which the loan relates until the loan is repaid. Additionally, the Board may determine under the Plan that an employee must give a mortgage or charge over the Shares as security for the loan.

Approval of the Plan by Shareholders would also allow the Company to rely on the "employee share scheme buy-back" procedure under section 257(1) of the Corporations Act.

Accordingly, Shareholders are being asked to approve the Plan for the purposes of sections 257(1), 259B(2) and 260C(4) of the Corporations Act.

The Directors (with Mrs Penn abstaining) recommend that Shareholders vote in favour of Resolution 6.

Resolution 7 – Approval of issue to Tracy Penn under the Plan

Resolution 7 seeks Shareholder approval for the proposed issue of 100,000 Shares under the Plan to Mrs Penn (or her nominee).

The quantum of this offer has been determined by the Board having regard to Mrs Penn's overall remuneration package. The remuneration of the Directors for the year ended 30 June 2018 is set out in the Remuneration Report.

The explanatory notes to Resolution 6 detail the reasons for the issue of these Shares to Mrs Penn.

Further details of the terms of Mrs Penn's participation in the Plan are set out below.

Shareholder approval

The acquisition of securities by a Director under an employee incentive scheme such as the Plan requires Shareholder approval under Listing Rule 10.14.

Once approval is obtained under Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12 (Exception 4) as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

The Board has formed the view that Shareholder approval under Chapter 2E of the Corporations Act is not required because the issue of Shares to Mrs Penn reflects the provision of reasonable remuneration for the purposes of section 211 of the Corporations Act.

Summary of terms of proposed Share issue to Mrs Penn under the Plan

Subject to approval of Resolutions 6 and 7, the terms of Mrs Penn's participation in the Plan will be as set out in Appendix 2. However, in addition to these general terms the following will apply:

- **Vesting:** Shares issued under the Plan to Mrs Penn (or her nominee) will be subject to vesting conditions, meaning that Mrs Penn cannot voluntarily dispose of the Shares, repay the principal loan and/or obtain an economic benefit from the Shares upon disposal until the condition is satisfied and the Shares have 'vested'. Except in certain circumstances determined by the Board (including in relation to events affecting the ownership and control of the Company), the Shares will vest as follows, provided that Mrs Penn is still an employee at the vesting date:
 - 25,000 Shares will vest immediately upon issue; and
 - the remaining 75,000 will vest in three equal tranches on the business day following the release of the financial results of the Company for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021, respectively.
- **Loan:** The loan provided to Mrs Penn (or her nominee) to fund the acquisition of the Shares under the Plan may include interest and a repayment period as set out in the required disclosures below.

Required disclosures

For the purposes of Listing Rule 10.15, the following information is provided to Shareholders:

- approval is sought for Mrs Penn, who is an executive Director of the Company, to participate in the Plan;
- the maximum number of Shares that can be acquired by Mrs Penn (or her nominee) under this approval is 100,000 Shares;
- the price payable by Mrs Penn (or her nominee) for the issue of Shares contemplated in Resolution 7 will be the volume weighted average market price for the 10 trading days ending on the date immediately prior to the date the Shares are issued under the Plan;
- no Director, associate of a Director or other person referred to in Listing Rule 10.14 has previously received securities under the Plan;
- subject to the Listing Rules, all executive Directors are eligible to participate in the Plan. However, subject to Resolution 7 being approved by Shareholders, Mrs Penn (or her nominee) is the only person referred to in Listing Rule 10.14 currently entitled to participate in the Plan;
- the Company (or a related body corporate) will make a loan to Mrs Penn (or her nominee) in an amount equal to the total issue price of the Shares to be issued under the Plan, calculated as the price per Share multiplied by the number of Shares to be issued. For example, assuming a Share

issue price of \$1.00 at the time of allotment, the loan amount to Mrs Penn (or her nominee) would be \$100,000.00;

- the loan to Mrs Penn (or her nominee) will:
 - be interest free. However, if Mrs Penn elects to have the Shares issued to a nominee, interest will be charged at the benchmark rate of interest for fringe benefits tax at the relevant time as set by the Australian Taxation Office;
 - be repayable eight years after the issue of the relevant Shares under the Plan, unless otherwise agreed by the Company or a trigger occurs under the Plan which requires earlier repayment;
 - be provided on a limited recourse basis, meaning that the Company will only have recourse to the Shares issued under the Plan and any funds received from the sale of such Shares; and
 - otherwise be consistent with the loan terms described in Attachment 2; and
- the Shares proposed to be issued to Mrs Penn (or her nominee) are intended to be issued by 30 November 2018, and in any event will not be issued later than 12 months after the Meeting.

The Board also advises Shareholders that other eligible persons who are not Directors may, on recommendation of the Nomination and Remuneration Committee, be considered for participation in the Plan. At the date of this Notice, the Board intends to issue Shares under the Plan to Paul Innes (Chief Financial Officer and Company Secretary), Paul Johansen (Chief Information Officer) and Keith Nicholls (Chief Commercial Officer). The Plan forms part of the Company's retention strategy for its key executives. However, it is noted that only the issue of Shares under the Plan to Mrs Tracy Penn (Director and Deputy CEO) requires approval of Shareholders and is the subject of this Resolution.

The Directors (with Mrs Penn abstaining) recommend that Shareholders vote in favour of Resolution 7.

GLOSSARY

In this Notice, capitalised words and phrases have the following meanings:

AGM or **Meeting** means the annual general meeting of the Company to be held on Wednesday 21 November 2018 pursuant to the Notice.

Annual Report means the consolidated annual report for the Company and its controlled entities for the financial year ended 30 June 2018, available at <http://smilesinc.com.au/investor-centre/>.

ASX means ASX Limited ACN 008 624 691.

Board or **Directors** means the board of directors of the Company.

Chairman means the chairman of the Meeting.

closely related party is defined in the Corporations Act and, for the purposes of the voting restrictions, includes a Key Management Personnel's spouse, dependant and certain other close family members, as well as any companies controlled by the Key Management Personnel.

Company means Smiles Inclusive Limited ACN 621 105 824.

Corporations Act means the *Corporations Act 2001* (Cth).

Employee Share Plan or **Plan** means the Employee Share Plan as described in this Notice.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Key Management Personnel means each of those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, including any Director (whether executive or otherwise) of the Company.

KPMG means the division of the KPMG Australian Partnership responsible for audit services.

Listing Rules means the listing rules of ASX.

Notice means this notice of AGM.

Remuneration Report means the remuneration report as it appears in the Annual Report.

Resolutions means the resolutions set out in the Notice.

Share means a share in the capital of the Company, the terms of which are contained in the constitution of the Company.

Shareholder means a registered holder of Shares.

Attachment A - Notice of Nomination of Auditor

The Directors
Smiles Inclusive Limited
C/- Level 27
123 Eagle Street
Brisbane QLD 4000

5 October 2018

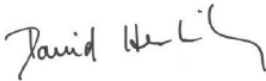
Dear Directors

NOMINATION OF KPMG AS AUDITOR OF SMILES INCLUSIVE LIMITED (ABN 27 621 105 824)

DJ Herlihy Super Fund Pty Ltd as trustee for the DJ Herlihy Superannuation Fund (**Shareholder**), a shareholder of Smiles Inclusive Limited (**Company**), pursuant to section 328B of the *Corporations Act 2001* (Cth) (**Act**), hereby nominates KPMG to be appointed as auditor of the Company at its 2018 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an attachment to the Notice of Meeting and Explanatory Memorandum for the 2018 Annual General Meeting of the Company as required by section 328B(3) of the Act.

Yours faithfully



David Herlihy
Sole director and company secretary
DJ Herlihy Super Fund Pty Ltd as trustee for the DJ Herlihy Superannuation Fund
Shareholder of Smiles Inclusive Limited

Attachment 2 – Summary of Employee Share Plan

Purpose	The employee share plan (Plan) gives certain Eligible Persons the opportunity to acquire Shares. This is intended to provide an additional incentive to and further align the interests of participating Eligible Persons with the interests of Shareholders.
Administration	The board of Directors of the Company (Board) may administer the Plan in accordance with the Plan rules and otherwise as it determines from time to time in its absolute discretion. The Board may delegate its powers under the Plan.
Eligible Persons	The Company may issue invitations to any executive Director, secretary or other officer of the Company (or a subsidiary), or any other person who is determined by the Board to be an Eligible Person for the purposes of the Plan. In certain circumstances, an Eligible Person may nominate an entity that it controls to subscribe for the Shares under the Plan.
Invitations	The Board may, from time to time in its absolute discretion, issue or cause to be issued, invitations on behalf of the Company to Eligible Persons. In accordance with the Listing Rules, no issues of Shares under the Plan may be made to Directors (or their associates) unless Shareholders have approved the issue at a general meeting.
Loans	The Company or such other entity as the Board determines (Lender) may make a loan to an Eligible Person of a principal amount not exceeding the Application Price of any Shares to be issued to or acquired by the Eligible Person (Participant) under the Plan.
Application Price	Unless otherwise determined by the Board, the purchase price of the Shares will be the volume weighted average market price for the 10 trading days ending on the trading day immediately prior to the date when the market value is determined.
Interest	Interest will be payable on any Loan at a rate of interest (if any) set out in the Invitation from (and including) the date the Shares are issued to the Participant until (and including) the date on which the Loan is repaid in full. Dividends payable in respect of the Shares issued under the Plan will be applied in satisfaction of the Loan (including interest). Where interest exceeds the amount of the dividends and distributions, the interest will be capitalised on a six monthly basis and paid by the Participant to the Lender at such time the loan becomes repayable.
Security	Until the Loan is repaid in full, the Company has a lien over all the Shares held by the Participant to which the Loan relates. The Board may also require that a Participant give a mortgage over the Shares as security for the Loan.
Repayment	The Loan must be repaid on the earlier of: <ul style="list-style-type: none"> (a) any repayment date specified in the Invitation (or ten years after issue if no date is specified); (b) the Participant becoming insolvent; (c) the Participant failing to remedy a breach of the Plan within a specified period; (d) the Participant disposing of the Shares; or (e) the Participant ceasing to be engaged by the Company (or such later date the Board determines). <p>This is subject to any repayment conditions included in the Invitation.</p> <p>Where Shares have vested (see below), the Board may consent to early repayment of the Loan, in which case the Participant may be entitled to receive dividends and distributions and also to dispose of the Shares which relate to the repaid portion of the Loan.</p>
Limited	The Company's recourse is limited to the proceeds of the disposal of the Shares held by the Participant to which the Loan relates. If a Participant forfeits his or her

recourse	interest in Shares to the Company, the Participant's liability to repay the Loan will be satisfied.
Disposal restriction	A Participant must not, without the prior consent of the Board, dispose of any Shares until they have vested, the Loan relating to those Shares has been repaid in full and any further period of restriction imposed by the Board has ended. The Company may instruct its share registry to apply a holding lock to any Shares subject to disposal restrictions.
Vesting conditions	At the discretion of the Board, the Company may, when making an Invitation, determine that the Shares offered will be subject to vesting conditions. If applicable, vesting conditions may relate to continuing employment, performance of the Participant or the Company, or the occurrence of specific events. The Board has discretion to determine that the Shares have vested.
Disposal	The Company may, acting on behalf of the Participant, dispose of the Shares of a Participant (including by way of buy back) if: (a) the Participant defaults in repayment of any Loan (refer to above repayment triggers); (b) the Shares have not vested by the vesting date or are incapable of vesting; or (c) while the Loan remains outstanding or the Shares have not vested, the Participant either attempts to dispose of the Shares or ceases to be employed by the Company (or a subsidiary) for any reason. If the Shares are not vested, or if the Participant's engagement is terminated for cause, any difference between the outstanding balance of the Loan and the market value of the relevant Shares may be paid to the Company. Where the Shares are vested, the Participant will generally be entitled to receive the difference between the net proceeds of disposal of the Shares and the outstanding balance of the loan (including interest).
Rights of Shares	Shares issued under the Plan will rank equally in all respects with existing Shares from the date of allotment.
Takeovers	The Board has absolute discretion to determine that some or all of the unvested Shares will vest if there is a takeover, other change of control or scheme of arrangement affecting the Company, change in the nature or scale of the Company or a person becomes bound or entitled to acquire Shares under certain statutory provisions (Control Event). In exercising this discretion, the Board may have regard to any matter the Board considers relevant, including the extent to which the vesting conditions have been satisfied (or estimated to have been satisfied) at the time the Control Event occurs.
Termination	The Plan may be terminated at any time at the discretion of the Board and no compensation under any employment or services contract will arise as a result. In the event of any such termination, the Plan rules will continue to operate with respect to any Shares issued or transferred under the Plan prior to that termination.
Acquisition costs	Costs of acquisition and disposal of Shares are to be paid by Participants unless otherwise determined by the Board.
Taxes	The Company or a subsidiary will have the power to withhold from amounts otherwise owing to the Participant, or to require the Participant to remit to it, an amount sufficient to satisfy all federal, state, local, and foreign withholding tax requirements.
Amendment	Subject to the Listing Rules, the Board may amend, add to, delete or otherwise vary the Plan rules at any time in any manner it thinks fit in its absolute discretion. With some exceptions, no amendment may be made which materially reduces the rights of Participants in respect of Shares acquired by them prior to the date of the amendment.
Governing Law	The laws of Queensland apply to the Plan.



Smiles Inclusive
Together We Smile

ACN 621 105 824

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Smiles Inclusive Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

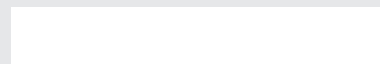
I/We being a member(s) of Smiles Inclusive Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm (Brisbane time) on Wednesday, 21 November 2018 at KPMG, Level 16, Riparian Plaza, 71 Eagle Street, Brisbane City 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 6 and 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 6 and 7, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Adoption of remuneration report

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Election of Tracy Penn as Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Election of Peter Evans as Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Election of Joshua Lowcock as Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Appointment of Company auditor

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Approval of Employee Share Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

7 Approval of issue to Tracy Penn under the Plan

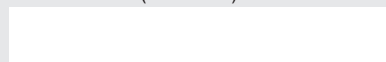
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



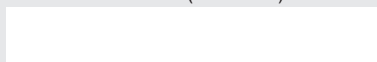
* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SIL PRX1801C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (Brisbane time) on Monday, 19 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Smiles Inclusive Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**